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Standards of accommodation for air travel

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on standards of accommodation for air travel (A/71/741 and Corr.1). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses dated 15 February 2017. **The Advisory Committee notes the corrections to errors in the report of the Secretary-General set out in the related corrigendum, and trusts that the Secretariat will strengthen its efforts to verify the information before inclusion in future reports of the Secretary-General.**

2. The report of the Secretary-General was submitted in accordance with General Assembly resolutions 42/214, 45/248 A, 53/214, 63/268, 65/268, 67/254 A and 69/274 A and decisions 44/442 and 46/450, as well as decision 57/589, in which the Assembly requested the Secretary-General to submit his report on a biennial basis. The report provides information on standards of accommodation for air travel for the two-year period ended 30 June 2016 and comparative statistics for the two-year period ended 30 June 2014, in addition to trend analyses for the past 10 years.

3. **The Advisory Committee reiterates that resources for official travel should be utilized judiciously in the interest of the Organization and that before official travel is authorized as a means to implement mandated activities, full account of its cost-effectiveness and the impact on productivity resulting from prolonged absences from the office while travelling should be taken into account to determine whether other means of representation and methods of communication can be utilized instead. The Committee also emphasizes that the primary consideration in authorizing official travel should be whether direct face-to-face contact is necessary for mandate**

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implementation. If not, then alternative methods should be employed (see A/69/787, para. 29).

II. Standards of accommodation for air travel for the period July 2014-June 2016

A. Exceptions authorized by the Secretary-General

4. With respect to the exceptions to the standards of accommodation for air travel authorized by the Secretary-General, the following considerations in the exercise of the Secretary-General's discretion are set out in his report: (a) medical reasons; (b) unavailability of the regular standard of accommodation for air travel; (c) the traveller is considered an eminent person (a current or former Head of State or Government); (d) the traveller is considered a prominent person (a current or former cabinet minister or, in the opinion of the Secretary-General, a significant international figure in the political, scientific, economic, humanitarian or cultural arenas who is providing his or her services to the Organization); (e) the traveller is required to undertake an arduous journey owing to the exigencies of service; and (f) the traveller provides close protection security services to the President of the General Assembly, the Secretary-General or the Deputy Secretary-General and their spouses, or to Under-Secretaries-General or Assistant Secretaries-General designated to represent the Secretary-General or to undertake missions in the exercise of the Secretary-General's good offices (see A/71/741, paras. 13 and 16).

5. According to the Secretary-General, the number of trips and the total additional cost of the exceptions authorized by the Secretary-General for the Secretariat have increased steadily, while the travel of delegates of the General Assembly and the President of the General Assembly has decreased. Tables 3 and 4 of the report of the Secretary-General show that the number of trips under exceptions authorized by the Secretary-General has increased, from 491 trips in the period from July 2012 to June 2014 to 963 in the period from July 2014 to June 2016, while the total additional cost of exceptions has increased, from $1,526,116 in the period from July 2012 to June 2014 to $2,939,274 in the period from July 2014 to June 2016. It is indicated that the promulgation of administrative instruction ST/AI/2013/3, which increased the travel time needed for a traveller to qualify for business class and made economy class the standard accommodation for air travel for consultants, individual contractors and other non-staff providing services to the Organization, resulted in more requests for exceptions in the July 2014-June 2016 period, especially for the category of prominent persons. It is stated that in some cases, under the previous travel policies, prominent persons would not have been treated as exceptions since they would have been eligible for the same standards of accommodation as staff members (see A/71/741, paras. 9, 12 and 14).

6. The General Assembly, in its resolution 67/254 A, requested the Secretary-General to take action to limit the use of exceptions, to conduct an analysis of the trends in the use of exceptions, to present proposals for enhancing controls in that area no later than the sixty-ninth session of the Assembly and, in that context, to review the use of exceptions for the category of prominent persons and to report thereon. The Secretary-General requests to submit his proposals at the first part of

the resumed seventy-third session of the General Assembly, as additional time is required to review the matter (see A/71/741, para. 4). **The Advisory Committee notes that the Secretary-General did not present such proposals at the sixty-ninth session or the current session of the General Assembly, and instead requests to submit them at the first part of the resumed seventy-third session. The Committee is of the view that the Secretary-General has had sufficient time since the adoption by the Assembly of resolution 67/254 A to review the use of exceptions and should have included proposals in that regard in his report. The Committee expects that the Secretary-General will submit such proposals at the first part of the resumed seventy-third session and will take all necessary measures in the meantime to limit the use of exceptions.**

B. Travel of experts of sanctions monitoring teams, groups and panels

7. The Advisory Committee recalls that during its consideration of the estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council, the Committee was informed that experts in sanctions monitoring teams, groups and panels are classified as consultants and therefore that economy class is applied as the standard of accommodation for air travel for the experts. **The Advisory Committee reiterates its view that the nature of the work of the experts under the sanctions monitoring teams, groups and panels is distinct from that performed under other consultancy contracts. The Committee therefore recommends that the General Assembly affirm their entitlement to the same standard of accommodation as staff members of the Secretariat (see A/68/7/Add.10, para. 100).**

C. Policy on first-class travel

8. Upon enquiry as to the differences between first class and business class, the Advisory Committee was informed that research indicates that, since the introduction of business class in the late 1970s, today's business class has become functionally equivalent to yesterday's first class, and that many airlines have opted to eliminate first-class cabins and offer only a business-class cabin as their highest standard. The Committee was also informed that the airlines that still offer first-class cabins have introduced such features as miniature suites, half-high partitioning for privacy, on-board showers and butlers rather than flight attendants, as well as better food and beverage options.

9. The Advisory Committee recalls that in its previous report, it observed that many airlines had significantly cut back, if not entirely eliminated, first-class sections on aircraft and that the differences in the level of accommodation between first class and business class had been minimized in certain cases (see A/69/787, para. 40). The Committee therefore recommended that the General Assembly request the Secretary-General to conduct a review of developments in the air travel industry over time, which was subsequently endorsed by the Assembly in its resolution 69/274 A. **Considering the developments in the air travel industry, notably that business class is now functionally equivalent to yesterday's first**

class, and that first-class sections have been eliminated by many airlines, the Advisory Committee recommends that the General Assembly review the Organization's policy on entitlements to first-class travel.

10. **The Advisory Committee is also of the view that when Under-Secretaries-General or Assistant Secretaries-General undertake official travel to represent the Secretary-General, the standard of accommodation utilized should be the standard applicable to Under-Secretaries-General or Assistant Secretaries-General.**

III. Use of frequent flyer miles

11. In its resolution 69/274 A, the General Assembly requested the Secretary-General to continue to monitor industry best practices in the area of frequent flyer miles and to report to the Assembly on any new trends for making use of frequent flyer miles to improve the administration of travel. In the report of the Secretary-General, it is stated that the Secretariat continues to monitor best practices across all areas of travel, including through participation in two travel management networks: the Inter-Agency Travel Network (a technical working group composed of travel managers from 75 international organizations) and the Travel Services Benchmark Network (an industry group composed of travel managers from 15 organizations, mostly from the private sector). It is also stated that information obtained from the organizations of the two networks indicates a low level of implementation of corporate frequent flyer programmes in the public and private sectors. It is further stated that the public and private sector organizations maintain that managing a corporate frequent flyer mile programme is uneconomical as the costs of managing such a programme more than outweigh any associated benefits (see A/71/741, paras. 23-28).

12. According to the Secretary-General, implementing a corporate frequent flyer mile programme at United Nations Headquarters would involve managing frequent flyer mile programmes with the more than 70 airlines most frequently used for official travel. It is also stated that as frequent flyer miles can typically be redeemed only for a limited number of seats on given flights, the practical utility for business travel is limited. It is indicated that another factor to take into consideration is the variety of funding sources, since miles earned by one funding source may not necessarily be spent by another. It is also indicated that negotiated airline agreements providing upfront discounts on market air fares are typically preferred to corporate frequent flyer mile programmes by other organizations. In a revised information circular, all staff of the Secretariat are instructed not to use, for personal travel, any frequent flyer miles gained as a result of conducting official business on behalf of the Organization, and are encouraged to use such frequent flyer miles for official travel, where feasible (see A/71/741, paras. 29-32).

13. **While the Advisory Committee notes the above analysis of the Secretary-General on a corporate frequent flyer mile programme, the Committee considers that implementing such a programme within a limited pool of official travellers would be feasible and would achieve benefits for the Organization. Considering the frequent official travel undertaken by personnel at the level of Assistant Secretary-General and above, the Committee is of the view that any**

frequent flyer miles gained by these personnel as a result of conducting official business on behalf of the Organization should be used for official travel. The Committee therefore recommends that the General Assembly request the Secretary-General to implement such a programme with respect to official travel undertaken by personnel at the level of Assistant Secretary-General and above, beginning no later than January 2018, and to report back to the Assembly on the results of implementation at the first part of its resumed seventy-third session.

IV. Implementation of the recommendations contained in the report of the Office of Internal Oversight Services on the comprehensive audit of air travel activities and related practices

14. In its resolution 69/274 A, the General Assembly emphasized the importance of implementing all of the recommendations contained in the report of the Office of Internal Oversight Services on the comprehensive audit of air travel activities and related practices, and requested the Secretary-General to provide detailed updates on their implementation in the context of future reports on the subject. The Secretary-General provides an update on the implementation of the Office's recommendations in section VI of his report.

15. The Secretary-General states that the Office of Central Support Services continues to work with airline partners to consolidate local and regional agreements into global ones and actively promote such agreements across Secretariat travel processing offices; six global agreements have been negotiated so far, and five more are in progress (see A/71/741, paras. 36 and 37). The Advisory Committee was informed upon enquiry that, across the six global agreements, the Secretariat on average receives discounts of 15 per cent on business-class tickets and 12 per cent on economy-class tickets and, on some airlines, the Secretariat can receive discounts of up to 35 per cent on business-class tickets. The Committee was also informed that airline discount agreements are negotiated on the basis of market share and anticipated volume; higher market shares and higher travel volumes lead to higher discounts being made available to the Organization. The Committee was further informed that as there are no commitments on the part of the Organization, these corporate discount agreements are not subject to a formal procurement process. **The Advisory Committee encourages the Secretary-General to explore further negotiated discount agreements with airlines for higher discounts in lieu of frequent flyer miles.**

16. In paragraph 38 of his report, the Secretary-General states that the Office of Central Support Services introduced a cost-recovery mechanism, in the form of a fixed service fee, in April 2016 to enable Secretariat offices to utilize the services of travel processing offices across the Secretariat. The mechanism enables Secretariat offices to purchase air tickets at locations where the Organization can obtain the best value for money, while the income generated from the service fee can be applied towards increasing resource levels or meeting any other costs related to the particular transaction. The Secretary-General also states that in a pilot phase, the current fare auditing practice at United Nations Headquarters is being amended, and

the Office of Central Support Services is contracting an independent third party to conduct regular fare audits of the travel agency at United Nations Headquarters (see A/71/741, para. 39).

V. Comprehensive information on air travel activities and the effects of the implementation of Umoja in travel administration

17. In its resolution 69/274 A, the General Assembly requested the Secretary-General to submit to the Assembly, in his next report, comprehensive information on the effects of the implementation of Umoja in travel administration, including updated information, trends and analysis in all areas relating to air travel in the United Nations. The Secretary-General states in his report that the Umoja travel module has been deployed in a phased manner, from the pilot in the United Nations Stabilization Mission in Haiti in July 2014, to its roll-out to cluster 4 entities[1] in November 2015. It is stated that the phased approach would mean that the data cannot be compared across years in a situation where different parts of the Secretariat have been implementing the Umoja travel module at different times. It is also stated that increased support requirements have resulted from the introduction of the employee self-service concept, and the workload for travel resources overall has increased significantly as a result of the Umoja travel module (see A/71/741, paras. 47-54). Tables 7-10 and the related annexes of the report of the Secretary-General set out the comprehensive information on the basis of data in Umoja from July 2014 to June 2016. **The Advisory Committee notes the comprehensive information provided in response to the General Assembly's request, and trusts that the Secretary-General will further improve the presentation of travel activities for the Assembly's consideration.**

18. Table 10 of the report of the Secretary-General sets out information on the compliance with the advance purchase policy directive by travel category, and shows that compliance in the official travel, entitlement travel, human resources travel and group travel categories were 32, 52, 31 and 37 per cent, respectively, for the first half of 2016. In annex XIX to the report, it is indicated that human resources travel includes travel related to separation/repatriation; appointment (post); transfer/reassignment; appointment (finite duration); temporary assignment; competitive exam (post); appointment (consultant); interview (general temporary assistance); interview (post); transportation of human remains; and competitive exam (general temporary assistance). Upon enquiry, the Advisory Committee was informed that for there to be significant improvements to the compliance rate, better planning at the departmental level is crucial. **The Advisory Committee notes the low compliance rate with the advance purchase policy directive, in particular in the human resources travel category. The Committee encourages stronger efforts in this regard and is of the view that most of the different types of**

[1] United Nations Headquarters, United Nations Office at Geneva, United Nations Office at Vienna, Economic Commission for Africa, Economic and Social Commission for Western Asia, Economic Commission for Latin America and the Caribbean, Economic Commission for Europe, international tribunals, peacekeeping operations and special political missions (international staff).

human resources travel can be better planned by the respective offices for improved compliance. The Committee also recommends that future reports include a detailed explanation by travel category should there be low rates of compliance with the advance purchase policy directive.

VI. Lump-sum option

19. Under the Staff Rules and Staff Regulations of the United Nations, for home leave, family visit or education grant travel, staff members may opt for a lump-sum payment in lieu of all entitlements related to the particular travel. In its resolution 67/254 A, the General Assembly decided that the Secretary-General should, as an interim measure pending the outcome of the review to be concluded in 2015, revise the provision for determining the travel-related lump-sum payment to 70 per cent of the least restrictive economy-class fare. In his report, the Secretary-General indicates that analysis for the period from June 2014 to June 2015 prior to the deployment of Umoja showed that, on average, the use of the lump-sum option represented a cost reduction of approximately 21 per cent per traveller as compared with the total costs of the ticket option (ticket, terminal expenses and shipment costs). However, Umoja travel data for the period January-August 2016 shows that the rate of acceptance of the lump-sum payment option has decreased from 93 per cent to 74 per cent, with the remaining 26 per cent of staff opting for the provision of tickets and related benefits by the Organization (see A/71/741, para. 86).

20. The Secretary-General requests that, since the collection and analysis of Umoja travel information only became possible in 2016, any future proposals on the lump-sum payment option be included in his next report on the standards of accommodation for air travel, to be submitted to the General Assembly at the first part of its resumed seventy-third session (see A/71/741, para. 87). **The Advisory Committee notes that the Secretary-General did not submit a proposal on modifying the lump-sum scheme to the General Assembly, either at its sixty-ninth session, as requested by the Assembly, or at its current session, and instead requests to submit proposals on the lump-sum option at the first part of the resumed seventy-third session of the Assembly. The Committee is of the view that the Secretary-General has had sufficient time to analyse the lump-sum option and should have made related proposals in his report.**

21. **In this context, the Advisory Committee notes the cost reduction of approximately 21 per cent per traveller arising from the use of the lump-sum option, and also notes that the provision of tickets and related benefits by the Organization entails administrative costs. Taking this into account, the Committee recommends that the General Assembly request the Secretary-General to take the steps necessary to implement a pilot scheme from January to December 2018, under which all staff would be required to use the lump-sum option for home leave, family visit or education grant travel. The Committee also recommends that the General Assembly request the Secretary-General to report back to the Assembly on the results of implementation at the first part of its resumed seventy-third session.**